

Before the  
**Federal Communications Commission**  
Washington, DC 20544

In the Matter of )

Promoting Interoperability in the 700 MHz )  
Commercial Spectrum )  
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WT Docket No. 12-69

**COMMENTS OF HORRY TELEPHONE COOPERATIVE, INC.**

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June 1, 2012

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Horry Telephone Cooperative, Inc. (“Horry”), by its counsel, hereby submits these comments in response to the Federal Communications Commission’s (“FCC” or “Commission”) *Notice of Proposed Rulemaking* (“NPRM”) in the above-referenced proceeding. Horry, licensee of the Lower 700 MHz A Block license for the Wilmington, NC-SC Basic Economic Area (“BEA”) (BEA025), Call Sign WQIZ561 (the “License”), strongly urges the Commission to adopt interoperability rules that require that mobile user equipment be capable of operating on all paired commercial Lower 700 MHz spectrum.<sup>1</sup> As explained in further detail herein, interoperability in the Lower 700 MHz band is critical to Horry’s ability to obtain affordable equipment and, in turn, deploy facilities-based Long Term Evolution (“LTE”) voice, data, and broadband services to customers in rural portions of South Carolina and North Carolina. The adoption of such interoperability rules will serve the public interest by enhancing consumer choice, facilitating the further deployment of facilities-based mobile broadband networks and

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<sup>1</sup> *Promoting Interoperability in the 700 MHz Commercial Spectrum, et al.*, Notice of Proposed Rulemaking, FCC 12-31 (rel. Mar. 21, 2012) (“NPRM”).

advanced voice and data services to rural and unserved areas, maximizing roaming opportunities for consumers, and promoting robust competition in the wireless market.

## **I. INTRODUCTION AND BACKGROUND**

The 700 MHz band is the only significant spectrum band used for commercial wireless voice and data services that is not fully interoperable.<sup>2</sup> The 850 MHz Cellular, 1900 MHz Personal Communications Services (“PCS”), and Advanced Wireless Service (“AWS”) bands are all fully interoperable, and interoperability has been critical to delivering benefits to consumers.<sup>3</sup> Indeed, interoperability has been a key focus of the Commission in encouraging adoption and deployment of wireless services. In 1996, for example, former FCC Chairman Reed Hundt noted that, “connectivity and interoperability are things Congress wants preserved. Congress wants them preserved because they support and promote competition and the benefits that come with it, such as diversity of service offerings, lower prices, and innovation.”<sup>4</sup> More recently, the Commission has recognized that there are numerous benefits associated with interoperability in the Lower 700 MHz band, including “encouraging the affordability and availability of 4G equipment, enhancing competition by facilitating consumer choice, and

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<sup>2</sup> NPRM at ¶ 2.

<sup>3</sup> See, e.g., NPRM at ¶ 17; *Amendment of the Commission’s Rules to Establish New Personal Communications Services*, Memorandum Opinion and Order, 9 FCC Rcd 4957, ¶¶ 163-64 (1994); *Inquiry Into the Use of the Bands 825-845 MHz and 870-890 MHz for Cellular Communications Systems; and Amendment of Parts 2 and 22 of the Commission’s Rules Relative to Cellular Communications Systems*, Report & Order, 86 FCC 2d 469, ¶ 79 (1981) (“Throughout the cellular proceeding an essential objective has been for cellular service to be designed to achieve nationwide compatibility... a cellular subscriber traveling outside of his or her local service area should be able to communicate over a cellular system in another city. Nationwide compatibility is also likely to increase the number of manufacturers providing the cellular equipment. This price and product competition should benefit the consumer through lower equipment costs and greater equipment selection.”).

<sup>4</sup> Reed Hundt, Chairman, Fed. Comm’n Comm’n, Network Reliability Comforum, Washington, DC 1996 FCC LEXIS 1967 (1996).

facilitating the widespread deployment of broadband services and competition, including access to broadband in rural and underserved areas...[and] greater roaming opportunities between 700 MHz licensees.”<sup>5</sup> In order to realize these numerous public interest benefits, however, the Commission must implement rules mandating carrier utilization of interoperable devices for licensees operating in the Lower 700 MHz bands.

Horry is a rural local exchange carrier and a provider of wireless voice and broadband services throughout Conway and Aynor, South Carolina, and adjacent areas. Horry holds licenses in the PCS and AWS bands, as well as in the Lower 700 MHz A Block. Horry obtained its 700 MHz A Block license in 2008, when the Commission made spectrum in the Lower 700 MHz band available through competitive bidding. In an effort to secure 700 MHz frequencies in its existing wireless footprint, after having been outbid for the Lower 700 MHz B Block license in its core service area, Horry ended up spending approximately \$8 million dollars to acquire the License.

At the time, Horry believed the License would be a key component to Horry’s 4G strategy that would facilitate the deployment of advanced wireless services to customers in rural portions of South Carolina and North Carolina. Due to the post-auction development of two distinct non-interoperable band classes within the Lower 700 MHz band,<sup>6</sup> however, Horry has not been able to find affordable mobile equipment capable of operating in its licensed spectrum and, as a result, has yet to utilize its 700 MHz A Block license as part of its LTE roadmap. Absent Commission action mandating interoperability in the Lower 700 MHz band, rural carriers

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<sup>5</sup> *Application of AT&T Inc. and Qualcomm Incorporated for Consent to Assign Licenses and Authorizations*, Order, 26 FCC Rcd 17589, ¶ 70 (rel. Dec. 22, 2011).

<sup>6</sup> *See NPRM* at ¶10.

such as Horry will not be able to effectively utilize 700 MHz A Block licenses and integrate them as part of existing Commercial Mobile Radio Service (“CMRS”) networks.

## II. DISCUSSION

### A. The Commission Should Adopt an Interoperability Mandate for the Lower 700 MHz Band.

In the *NPRM*, the Commission acknowledges that “the 700 MHz band, at 70 megahertz... is the only non-interoperable commercial mobile service band.”<sup>7</sup> Additionally, the Commission notes that “there is express agreement...that a unified band class across the Lower 700 MHz band has the potential to yield significant benefits for all licensees.”<sup>8</sup> Accordingly, in the *NPRM*, the Commission seeks comment on the “argument that an interoperability requirement in the 700 MHz band is necessary to obtain affordable, advanced mobile devices to deploy service to consumers in smaller, regional and rural services areas.”<sup>9</sup> The Commission also asks, “whether interoperability would promote reasonable roaming arrangements among 700 MHz providers and would increase the number of providers that are technologically compatible for roaming partnership.”<sup>10</sup>

Simply stated, interoperability in the Lower 700 MHz band is critical to Horry’s deployment of advanced services throughout rural South Carolina and North Carolina. Without mandated interoperability, Horry does not see a roadmap for the deployment of advanced services utilizing its 700 MHz A Block license throughout rural portions of the Carolinas or for the seamless integration of the License into its existing CMRS network. While Horry initially

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<sup>7</sup> *Id.* at ¶ 2.

<sup>8</sup> *Id.* at ¶ 4.

<sup>9</sup> *Id.* at ¶ 21.

<sup>10</sup> *Id.* at ¶ 29.

saw the 700 MHz A Block as a key piece of its 4G strategy, the lack of interoperability has forced Horry to reevaluate how and when it may deploy LTE services utilizing the License, and such LTE services are desperately needed throughout rural portions of Horry's license area.

Horry's search for affordable 700 MHz A Block equipment is not dissimilar from other A Block licensees who simply do not have the economies-of-scale or market power to influence equipment manufacturers. Specifically, Horry has been unable to find reasonably priced equipment capable of operating in its A Block spectrum, and which would allow affordable integration into Horry's existing CMRS network. Unfortunately, the lack of equipment and devices capable of operating in Band Class 12 has undermined the business case for utilizing the License to deploy LTE, because it will not be possible to generate sufficient revenues to offset costs or to obtain handsets or equipment on reasonable terms. While Horry agrees that industry self-governance is generally preferable to government intervention, in this situation, absent Commission action, the status quo will not change and the deployment of advanced wireless services will continue to be delayed.<sup>11</sup>

By helping to increase the availability of interoperable equipment, mandated interoperability will also promote reasonable roaming arrangements among 700 MHz providers and increase the number of providers that are technologically compatible for roaming partnership. While Horry has only recently begin exploring LTE roaming relationships utilizing the License, Horry understands that reasonable roaming rates are critical to rural wireless carriers' ability to compete with national carriers. Without interoperability, which will lead to

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<sup>11</sup> Horry is aware of the FCC mandated June 13, 2013 interim construction benchmark for Lower 700 MHz A and B Block licensees. Without Commission action, however, on interoperability and additional guidance by the FCC on build-out obligations in areas currently encumbered by Channel 51, Horry may have little choice but to seek a waiver of the interim construction requirement.

access to reasonable roaming relationships with other Lower 700 MHz licensees, Horry's ability to offer its customers a nationwide wireless experience at a reasonable rate is nearly impossible.

In sum, Horry's ability to deploy advanced wireless services to business and residential customers in rural portions of South Carolina and North Carolina has been damaged by the lack of interoperability in the Lower 700 MHz A Block. A major goal of the Telecommunications Act of 1996 was to let "any communications business compete in any market against any other... to remove the legal and economic obstacles that have frustrated competition for too long."<sup>12</sup> An interoperability requirement will promote competition in the wireless market and will facilitate the portability of mobile devices between service providers, thereby allowing consumers to switch more easily between providers. Accordingly, Horry vigorously urges the Commission to adopt interoperability requirements for carriers and devices operating in the Lower 700 MHz band.

**B. The Commission Has Ample Authority to Impose Interoperability Requirements on Licensees and Equipment Manufacturers in the Lower 700 MHz Band.**

The Commission has the statutory authority to adopt interoperability requirements in the Lower 700 MHz band.<sup>13</sup> Title III of the Communications Act, as amended, provides the Commission with the broad authority to manage the use of spectrum.<sup>14</sup> This authority includes the power and obligation to condition licenses on compliance with requirements deemed consistent with the public interest, convenience, and necessity, including operational

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<sup>12</sup> Reed Hundt, Chairman, Fed. Comm'n's Comm'n, Network Reliability Comforum, Washington, DC 1996 FCC LEXIS 1967 (1996).

<sup>13</sup> See *NPRM* at ¶ 58.

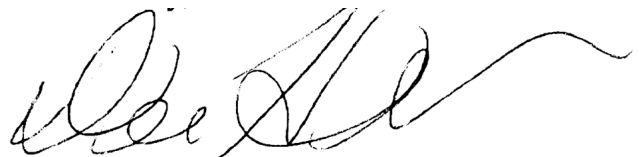
<sup>14</sup> 47 U.S.C. § 301.

requirements, if the condition or obligations will further the goals of the Act.<sup>15</sup> In addition, Section 316 of the Act authorizes the Commission to modify licenses if the Commission determines that such modification will promote the public interest, convenience, and necessity.<sup>16</sup> As discussed above, interoperability requirements for the Lower 700 MHz band will serve the public interest by increasing the number of devices and services available to consumers, promoting the deployment of facilities-based voice and data services to rural and unserved areas, maximizing roaming opportunities for consumers, and promoting competition in the wireless market.

### III. CONCLUSION

For the forgoing reasons, Horry urges the Commission to move quickly to require interoperability throughout the entire Lower 700 MHz band. Absent Commission action, Horry and other similarly situated Lower 700 MHz A Block licensees will be left without the ability to provide meaningful advanced wireless services, harming consumers in rural areas and thwarting competition.

Respectfully Submitted,



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<sup>15</sup> *NPRM* at ¶ 58.

<sup>16</sup> *See* 47 U.S.C. § 316.